

FY 2023-24: EDUCATION (DEPARTMENT)
Summary: As Reported by House Appropriations Committee
House Bill 4287 (H-2)



Analyst: Noel Benson

| IDG/IDT | FY 2022-23 YTD as of 2/8/23 | FY 2023-24 Executive | FY 2023-24 House | FY 2023-24 Senate | FY 2023-24 Conference | Difference: House From FY 2022-23 YTD | |
|-------------------|--------------------------------|-------------------------|----------------------|----------------------|--------------------------|--|-------------|
| | | | | | | Amount | % |
| | \$0 | \$0 | \$0 | \$ | \$ | \$0 | -- |
| Federal | 302,950,800 | 364,589,100 | 364,589,100 | | | 61,638,300 | 20.3 |
| Local | 5,878,600 | 5,856,000 | 5,856,000 | | | (22,600) | (0.4) |
| Private | 2,240,400 | 2,791,300 | 2,791,300 | | | 550,900 | 24.6 |
| Restricted | 9,919,700 | 10,072,000 | 10,072,000 | | | 152,300 | 1.5 |
| GF/GP | 99,591,500 | 123,299,600 | 120,999,700 | | | 21,408,200 | 21.5 |
| Gross | \$420,581,000 | \$506,608,000 | \$504,308,100 | \$ | \$ | \$83,727,100 | 19.9 |
| FTEs | 627.5 | 640.5 | 640.5 | | | 13.0 | 2.1 |

Notes: (1) FY 2022-23 year-to-date figures include mid-year budget adjustments through February 8, 2023. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The State Board of Education is an eight-member elected board constitutionally mandated to provide leadership and supervision for public education in Michigan. The Michigan Department of Education (MDE) is the administrative arm of the Board charged with implementing state and federal educational mandates and administering programs. Major responsibilities of the MDE include developing and overseeing the K-12 school system, certifying teachers, disbursing funds to educational organizations and libraries, providing technical assistance to school districts and libraries, and providing early education and child day care support for low-income and other qualifying families.

Major Budget Changes from FY 2022-23 YTD Appropriations

1. Child Development and Care

Executive provides \$73.5 million federal to maintain child care investments set to expire in FY 2023-24, including maintaining eligibility at 200% of the federal poverty level and making payments based on enrollment rather than attendance.

House concurs with Executive.

| | FY 2022-23 Year-to-Date (as of 2/8/23) | FY 2023-24 House Change |
|--------------|--|-------------------------------|
| Gross | \$211,480,000 | \$73,500,000 |
| Federal | 172,444,100 | 73,500,000 |
| GF/GP | \$39,035,900 | \$0 |

2. Child Development and Care Public Assistance – TANF Financing Swap

Executive provides \$12.0 million GF/GP as a replacement for a corresponding amount of TANF funds for state match and MOE purposes.

House concurs with Executive.

| | | |
|--------------|----------------------|--------------|
| Gross | \$199,080,000 | \$0 |
| Federal | 160,044,100 | (12,000,000) |
| GF/GP | \$39,035,900 | \$12,000,000 |

3. One-Time Appropriations – Family and Community Engagement

Executive provides \$5.5 million (\$5.0 million GF/GP ongoing; \$482,700 GF/GP one-time) and authorizes 6.0 FTE positions to develop trainings, coaching, resource development, translation services, and related activities, and to hire a coordinator and coach at 10 literacy hubs across the state to create a family and community engagement division.

House provides \$3.0 million GF/GP one-time and authorizes 6.0 FTE positions to develop trainings, coaching, resource development, and related activities for MiFamily Engagement Centers.

| | | |
|--------------|------------|--------------------|
| FTE | 0.0 | 6.0 |
| Gross | \$0 | \$3,000,000 |
| GF/GP | \$0 | \$3,000,000 |

| | | FY 2022-23 Year-to-Date (as of 2/8/23) | FY 2023-24 House Change |
|--|--------------|--|-------------------------------|
| Major Budget Changes from FY 2022-23 YTD Appropriations | | | |
| 4. One-Time Appropriations – E-rate Special Construction Matching Fund | Gross | \$0 | \$5,000,000 |
| | GF/GP | \$0 | \$5,000,000 |
| <u>Executive</u> provides \$5.0 million GF/GP in one-time funding to reimburse up to 10% of out-of-pocket costs for local schools and libraries approved for funding through the federal E-rate program to expand access to broadband internet. <u>House</u> concurs with Executive. | | | |
| 5. One-Time Appropriations – Michigan Test for Teacher Certification Reimbursement | Gross | \$0 | \$1,000,000 |
| | GF/GP | \$0 | \$1,000,000 |
| <u>Executive</u> does not include. <u>House</u> provides \$1.0 million GF/GP in one time funding to reimburse the costs of subject area tests for first-time test takers seeking certification. | | | |
| 6. One-Time Appropriations – School Infrastructure and Consolidation Administration | FTE | 38.6 | 2.0 |
| | Gross | \$6,161,400 | \$756,500 |
| | Federal | 3,289,700 | 0 |
| | Restricted | 284,400 | 0 |
| | GF/GP | \$2,586,900 | \$756,500 |
| <u>Executive</u> provides \$756,500 GF/GP and authorizes 2.0 FTE positions to administer funding for school consolidation, infrastructure, and the MI Healthy Climate Plan that are appropriated in School Aid. MDE would partner with EGLE, MDHHS, and the Department of Treasury to work in coordination on administering funding. <u>House</u> concurs with Executive, but revises funding to be one-time. | | | |
| 7. One-Time Appropriations – Michigan’s Poet Laureate | Gross | \$100,000 | \$0 |
| | GF/GP | \$100,000 | \$0 |
| <u>Executive</u> retains \$100,000 GF/GP, considered one-time funding, to support a Michigan Poet Laureate program with funding for travel and events to promote poetry, the spoken word, and the literary arts. <u>House</u> concurs with Executive. | | | |
| 8. School Board Training Reimbursements | Gross | \$150,000 | \$0 |
| | GF/GP | \$150,000 | \$0 |
| <u>Executive</u> retains \$150,000 GF/GP, considered one-time funding, for school board member training reimbursements. <u>House</u> concurs with Executive, but revises funding to be ongoing. | | | |
| 9. Math Education Administration | FTE | 82.7 | 2.0 |
| | Gross | \$17,139,300 | \$303,700 |
| | Federal | 12,976,100 | 0 |
| | Restricted | 602,400 | 0 |
| | GF/GP | \$3,560,800 | \$303,700 |
| <u>Executive</u> provides \$303,700 GF/GP and authorizes 2.0 FTE positions to provide statewide guidance and supports for new math education programs that are appropriated in School Aid. <u>House</u> concurs with Executive. | | | |
| 10. Michigan School Nurse Administration | FTE | 75.6 | 1.0 |
| | Gross | \$14,333,400 | \$160,000 |
| | Federal | 12,872,300 | 0 |
| | Restricted | 71,700 | 0 |
| | GF/GP | \$1,389,400 | \$160,000 |
| <u>Executive</u> provides \$160,000 GF/GP and authorizes 1.0 FTE position for school policy support at MDE and health-related supports at MDHHS. <u>House</u> concurs with Executive. | | | |
| 11. Mental Health and SEL Support | FTE | 75.6 | 2.0 |
| | Gross | \$14,333,400 | \$151,900 |
| | Federal | 12,872,300 | 0 |
| | Restricted | 71,700 | 0 |
| | GF/GP | \$1,389,400 | \$151,900 |
| <u>Executive</u> provides \$151,900 GF/GP and authorizes 2.0 FTE positions to provide additional support and guidance to schools for mental health programs. <u>House</u> concurs with Executive. | | | |
| 12. One-Time Appropriations – Head Start Background Checks | Gross | \$322,900 | \$100,000 |
| | Federal | 258,900 | 100,000 |
| | GF/GP | \$64,000 | \$0 |
| <u>Executive</u> provides \$100,000 federal in one-time funding to offset costs for Head Start staff who are now required to submit to background checks. <u>House</u> concurs with Executive. | | | |

| | | FY 2022-23 Year-to-Date (as of 2/8/23) | FY 2023-24 House Change |
|--|--------------|--|-------------------------------|
| <u>Major Budget Changes from FY 2022-23 YTD Appropriations</u> | | | |
| 13. One-Time Appropriations – PRIME Schools | Gross | \$0 | \$100 |
| <u>Executive</u> does not include. | GF/GP | \$0 | \$100 |
| <u>House</u> provides a \$100 GF/GP placeholder in one-time funding for the SME Education Foundation's partnership response initiative to provide high schools with engineering and manufacturing programs. | | | |
| 14. TEACH Scholarship Roll Up | Gross | \$5,000,000 | \$0 |
| <u>Executive</u> includes a net \$0 change to roll the \$5.0 million federal TEACH Scholarship into the Child Development and Care contracted services line item. | Federal | 5,000,000 | 0 |
| <u>House</u> concurs with Executive. | GF/GP | \$0 | \$0 |
| 15. Child Care and Development Fund (CCDF) Interdepartmental Grant Adjustment | Gross | \$31,178,300 | (\$89,300) |
| <u>Executive</u> reflects decreased costs of \$89,300 federal for interdepartmental grants to MDHHS and LARA. | Federal | 31,178,300 | (89,300) |
| <u>House</u> concurs with Executive. | GF/GP | \$0 | \$0 |
| 16. Child Care FMAP Adjustment | Gross | \$199,080,000 | \$0 |
| <u>Executive</u> reflects decreased costs of \$195,700 GF/GP for matching child care federal grants due to the decreasing FMAP rate for FY 2024. | Federal | 160,044,100 | 195,700 |
| <u>House</u> concurs with Executive. | GF/GP | \$39,035,900 | (\$195,700) |
| 17. Library Pilot Program | Gross | \$800,000 | (\$800,000) |
| <u>Executive</u> maintains current law. | GF/GP | \$800,000 | (\$800,000) |
| <u>House</u> eliminates ongoing funding for five grants for library pilot programs across the state. | | | |
| 18. Economic Adjustments | Gross | NA | (\$86,000) |
| <u>Executive</u> reflects decreased costs of \$86,700 Gross (increase of \$31,700 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2023), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments. | Federal | NA | (168,100) |
| <u>House</u> concurs with Executive. | Local | NA | (22,600) |
| | Private | NA | (1,000) |
| | Restricted | NA | 74,000 |
| | GF/GP | NA | \$31,700 |

Major Boilerplate Changes from FY 2022-23

Executive DELETED but House RETAINED the following boilerplate sections

- Reporting Requirements (Sec. 205)
- Searchable Website (Sec. 212)
- Restricted Funds Report (Sec. 213)
- Maintain Department Scorecard (Sec. 214)
- Report on Policy Changes Made to Implement Public Acts Affecting Department (Sec. 221)
- Communication with the Legislature (Sec. 222)
- Records Retention (Sec. 223)
- Expending Available Work Project Authorization (Sec. 224)
- Severance Pay Reporting (Sec. 225)

GENERAL SECTIONS

Sec. 210. Contingency Funds – REVISED

Executive revises the amount of contingency funds, which must be transferred by the legislature prior to expenditure, as follows: revises federal from \$5.0 million to \$10.0 million; revises state restricted from \$400,000 to \$700,000; maintains local at \$250,000; and revises private from \$1.5 million to \$3.0 million.

House concurs with Executive but revises to Sec. 212.

Major Boilerplate Changes from FY 2022-23

Sec. 211. Access to State and Local Government Services – NEW

Executive requires that appropriated funds shall not be used to restrict or interfere with actions related to diversity, equity, and inclusion; to restrict a marginalized community's access to government resources, programs, or facilities; or to diminish or restrict an individual's ability to exercise the right to reproductive freedom. Also requires local governments to report any action or policy that interferes with the duties of the local health officer.

House concurs with Executive.

Sec. 215. Reporting Legacy Costs – DELETED

Identifies total appropriations in part 1 for legacy costs for FY 2022-23. Includes a pension-related cost estimate of \$8,126,500 and a retiree health care cost estimate of \$5,258,600.

Executive and House delete this section.

Sec. 216. Reporting on Remote Work – REVISED

Executive removes requirement to report on the number of FTEs in pay status by type of staff and civil service classification, number of employees engaged in remote work in 2023, number of employees authorized to work remotely and the actual number working remotely, estimated net cost savings achieved by remote work, and reduced use of office space associated with remote work.

House concurs with Executive, but revises report recipients to include the House and Senate appropriations committees and all recipients required in Sec. 205.

Sec. 219. State Administrative Board Transfer – DELETED

Permits the legislature to intertransfer funds within this act for MDE if the state administrative board transfers funds from an amount appropriated under this act.

Executive and House delete this section.

Sec. 227. Vaccine Requirement – DELETED

Prohibits various state government entities from requiring proof of COVID-19 vaccination as condition of accessing state services or facilities, producing COVID-19 vaccine passports, developing, or making existing databases public, accessing individuals COVID-19 vaccine status, and requiring proof of receiving COVID-19 vaccine as condition of employment; prohibits state entities from subjecting an individual to negative consequences because of COVID-19 vaccine status; allows an individual to provide proof of COVID-19 vaccine status with consent; exempts certain individuals from federally mandated vaccine policies.

Executive and House delete this section.

Sec. 229. Federal Accountability Plans – DELETED

Requires MDE to notify the House and Senate appropriations committees, house and senate fiscal agencies, and the State Budget Director before seeking a federal waiver form or amending the federal waiver form.

Executive and House delete this section.

Sec. 230. Nonpublic School Mandates – DELETED

Requires MDE to compile a report that identifies any new, or lack thereof, mandates required of nonpublic schools by April 1, 2023.

Executive and House delete this section.

Sec. 231. Prioritization of In-Person Work – DELETED

States that it is the intent of the legislature that MDE prioritize in-person work and requires each department, agency, board, or commission that receives funding to post its in-person, remote work, or hybrid policy on its website.

Executive and House delete this section.

Sec. 235. Department Effectiveness Survey – DELETED

Requires MDE to administer, and report the results of, a survey that allows teachers, paraprofessionals, and administrators to provide feedback on their interactions with the department.

Executive and House delete this section.

STATE BOARD OF EDUCATION/OFFICE OF THE SUPERINTENDENT

Sec. 310. School Infrastructure and Consolidation Administration – NEW

Executive requires not less than \$378,300 and not fewer than 2.0 FTE positions to administer funding for school consolidation, infrastructure, and the MI Healthy Climate Plan. Appropriates an additional \$378,200 of the funds appropriated in part 1 for central support operations for MDE to partner with the Departments of Environment, Great Lakes, and Energy; Health and Human Services; and Treasury to administer funding for school consolidation, infrastructure, and the MI Healthy Climate Plan.

House concurs with Executive, but moves to Sec. 1103 under One-Time Appropriations.

Major Boilerplate Changes from FY 2022-23

EDUCATOR EXCELLENCE

Sec. 502. Teacher License Renewals – REVISED

Executive revises language from “former teachers whose teaching licenses have expired” to “the recruitment and retention of educators” to allow for more teacher license renewals to be covered by appropriated funds.

House concurs with Executive.

MICHIGAN OFFICE OF GREAT START

Sec. 1002. CDC Rate Publication – REVISED

Executive revises to allow MDE to receive and expend federal child care development block grant funds if the funds are at risk of being lapsed by the end of the current fiscal year, the department plans to expend the funds through a one-time rate increase to providers, and the department makes this request to the state budget director not less than 30 days prior to the expenditure of the funds. The department may withdraw the intent to expend funds by sending a letter notifying the budget director.

House concurs with Executive.

Sec. 1004. CDC T.E.A.C.H. Scholarship Program – DELETED

Requires MDE to use \$5.0 million federal CCDF for T.E.A.C.H. Early Childhood Scholarship Program for credit-based educational opportunities for child care providers, with preference given to providers trying to increase their Great Start to Quality star rating.

Executive and House delete this section.

Sec. 1007. Child Development and Care Report – REVISED

Executive revises report to become a joint annual report from MDE, LARA, and MDHHS. Requires the joint report to include information on the affordability and availability of child care in Michigan, the health and safety of child care, actions taken to strengthen health and safety of care, the quality of child care, actions taken to improve child care quality, and the child care workforce. Removes all previously required information in the report.

House concurs with Executive.

Sec. 1009. CDC Eligibility Entrance Threshold – REVISED

Executive revises to give MDE the ability to control caseload costs by removing specifications regarding number of children, waiting lists, and future decreases in the eligibility entrance threshold.

House concurs with Executive.

Sec. 1010. CDC Funding Changes – DELETED

Requires MDE to provide notification within 10 days of changes to the CDC program including changes to the federal matching award amount, the block grant, and federal mandates that require appropriations adjustments.

Executive and House delete this section.

Sec. 1011. CDC Program Payment Structure – REVISED

Executive revises to remove reference to biweekly block reimbursement rate and changes the payment structure to be based on enrollment rather than attendance.

House concurs with Executive.

Sec. 1012. Early Childhood Mental Health – REVISED

Executive revises appropriation from \$1.5 million to \$3.0 million for MDE to work in collaboration with DHHS on the network of infant and early childhood mental health consultation.

House concurs with Executive.

Sec. 1013. Federal Stimulus Reporting – DELETED

Requires MDE to create a status report on the various child care enhancements appropriated in FY 2021-22, including the amount expended on each program, number of providers that received a child care stabilization grant, number of child care employees that received a salary enhancement, the number of providers who received assistance and the type of assistance, the number of infant and toddler slots that have been contracted, and the number of additional cases and number of children enrolled in child development and care above 160% of the federal poverty guidelines and the total cost for these cases per month. Requires that this report shall be completed and transmitted not later than November 1, 2022.

Executive and House delete this section.

Sec. 1014. Family and Community Engagement – NEW

Executive requires MDE to partner with family engagement centers across the state to increase parent and guardian involvement in their child’s education, ensure translation and interpretation services are available, partner with ISDs to assist in getting information and resources to constituent districts, and develop an early literacy engagement plan.

House concurs with Executive but moves to Sec. 1102 under One-Time Appropriations.

Major Boilerplate Changes from FY 2022-23

ONE-TIME APPROPRIATIONS

Sec. 1100. School Board Member Training – REVISED

Executive adds implicit bias training as an approved program.

House concurs with Executive, but moves to Sec. 602 to reflect the revision of funding to ongoing appropriations.

Sec. 1104. MTTC Reimbursement – NEW

Executive does not include.

House requires MDE to reimburse first-time test takers of the Michigan Test for Teacher Certification and develop an application process for reimbursement.

Sec. 1104. PRIME Schools – NEW

Executive does not include.

House requires funds appropriated in part 1 for PRIME schools to support the SME Education Foundation's partnership response initiative to provide high schools with engineering and manufacturing programs, and allows a portion of funds to be used by MDE for administration.